

MARKET ANALYSIS - November 07, 2002

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With the end of the growing season, trading emphasis should normally switch away from weather to demand issues. For the most part this has happened, but with stocks to use ratios so low any blip in the weather is still causing excess volatility. What’s ahead for November? USDA’s Crop Production and Supply/Demand estimates are scheduled for Tuesday, November 12. It is worth noting that in 6 out of the 7 short crop years over the last 20 or so years the USDA has revised downward its yield estimates! Market attention therefore is strongly focused on possible revisions to corn and soybean production, although USDA sometimes waits until January final estimate to make any enormous changes. Demand forces have been lagging in the corn pit in an otherwise supportive supply/demand market from a historical point of view. Harvest progress was 66% complete last week and day-to-day movement for corn seems to be quite slow because new news is slow too. Weekly corn export sales came in above 1 million metric ton for the second week in a row versus expectations of 700,000 – 1 million but this didn’t stop nearby corn futures finishing lower on the week. Fortunately however local basis firmed. Despite low stocks to use ratios for corn (signalling potential spikes in prices due to shocks) the term structure of futures is suggesting no incentive to store, so if you want to play the weather market it might be advisable to do it with paper (options) not the underlying commodity. Funds started their week buying up bean contracts – a terrific sign. However, from a fundamental sign, South American weather worries dominated the news. Harvest progress was reported to be at 84% so there is not much left out there in the fields. Even though the USDA report is not due out until next week – be prepared for private signals to give the market direction. However, even though the Sparks estimate called for higher numbers the market shrugged this off and sent prices higher. For the first time in several weeks soybean export sales were below expectations – just 779,000 tons versus expected 900,000 – 1.2 million. Local basis improved again this week. Wheat trade continues to be fairly quite as the trade searches for new market information and the only movement seems to stem from technical trading. However, Thursday caused the prices to slip following a poor sales figure with sales being listed at 288.5 thousand metric tons which was at the low end of expectations.

BASIS TABLE

LOCATION	CORN BASIS		SOYBEAN BASIS		WHEAT BASIS	
	CASH (Dec02)	NEW (Dec02)	CASH (Nov02)	NEW(Nov02)	CASH(Dec02)	NEW(Jul03)
Baltimore	n/a	n/a	-\$.23	-\$.23	n/a	n/a
Western MD	+\$.60	n/a	+\$.12	n/a	-\$.17	n/a
Central MD	+\$.42	+\$.36	-\$.04	-\$.06	+\$.03	-\$.21
Southern MD	+\$.26	+\$.26	-\$.01	-\$.01	+\$.26	-\$.29
Upper E. Sh	+\$.36	+\$.36	-\$.25	-\$.25	-\$.23	-\$.24
Lower E. Sh	+\$.46	+\$.46	+\$.14	+\$ 14	-\$.25	-\$.22

WEEKLY CROP WEATHER SUMMARY

MARYLAND AGRICULTURAL STATISTICS

Wet conditions hindered progress for the fourth consecutive week, allowing Maryland farmers only 2.5 **days suitable for fieldwork**. Farmers have not had a week with more than four suitable days for fieldwork since early October. While the precipitation is needed to restore subsoil moisture, many areas are experiencing surpluses in topsoil moisture. The cold, damp weather has prevented fields from drying out, making planting and harvesting activities near impossible in soggy fields. **Topsoil** rated in surplus supply is 24 percent, an increase of 19 percent from the previous week, and 21 percent from two weeks ago. Topsoil moisture is rated 24 percent in surplus supply, 67 percent adequate, 8 percent short, and 1 percent very short. **Subsoil** moisture is rated 4 percent surplus, 42 percent adequate, 42 percent short, and 12 percent very short. **Soybean harvest** has fallen further behind schedule. Soybeans are 34 percent harvested, advancing only 2 percent from the previous week, 41 percent behind last year, and 26 percent behind the five year average. Small grain seeding progress was also minimal. **Winter wheat** planting advanced only 1 percent from the previous week. Wheat is 58 percent planted, 17 percent less than last year, and 12 percent less than the five year average. Winter wheat condition is rated 9 percent excellent, 59 percent good, 29 percent fair, 2 percent poor, and 1 percent very poor. Barley is rated 15 percent in excellent condition, 64 percent good, 20 percent fair, and 1 percent poor.

CASH GRAINS - REGIONAL - (\$/bu) DEALERS AVERAGE CASH QUOTES								
Grade and Commodity	#2 Y Shelled Corn		#2 Yellow Soybeans		#2 Red Winter Wheat		#3 Barley	
Date	10/30	11/06	10/30	11/06	10/30	11/06	10/30	11/06
Baltimore	----	----	5.35	5.53	----	----	----	----
Western Md	3.03	3.02	5.66	5.88	3.85	3.80	1.78	1.98
Central MD	2.84	2.84	5.45	5.72	4.12	4.00	1.50	1.60
Southern MD	2.71	2.68	5.58	5.75	3.80	3.71	1.45	----
Upper E. Sh	2.81	2.78	5.63	5.51	3.80	3.74	----	----
Lower E. Sh	2.91	2.88	5.73	5.90	3.82	3.72	1.30	1.48

Soybean Meal		Lower Eastern Shore		Dealer’s Average Cash Quotes (\$/ton)	
Date	10/30	11/06	Date	10/30	11/06
48% Soybean Meal	203.00	205.00	44% Soybean Meal	191.00	193.00

FORWARD CONTRACT PRICE-REGIONAL (\$/bu) For Harvest delivery Dealer’s Avg Quote								
Grade and Commodity	#2 Y Shelled Corn		#2 Yellow Soybeans		#2 Red Winter Wheat		#3 Barley	
Date	10/30	11/06	10/30	11/06	10/30	11/06	10/30	11/06
Baltimore	----	----	5.35	5.53	----	---	----	----
Western Md	----	----	----	----	----	----	----	----
Central MD	2.76	2.78	5.47	5.70	3.04	3.04	----	----
Southern MD	2.71	2.68	5.58	5.75	2.96	2.96	----	1.45
Upper E Shore	2.81	2.78	5.63	5.51	3.01	3.01	1.60	1.60
Lower E Shore	2.91	2.88	5.73	5.90	3.04	3.04	1.54	1.54

GRAIN FUTURES - Chicago Board of Trade (cents\$/bu) -Nov 06, 2002					
Corn		Soybeans		Wheat	
Dec	243.00	Nov	580.50	Dec	394.50
Mr03	247.25	Ja03	575.00	Mr03	395.50
May	250.25	Mar	570.50	May	362.75
Jul	252.25	May	562.75	Jul	326.25
Sept	246.50	Jul	558.00	Sept	329.50
Dec	242.75	Aug	549.00	Dec	338.00
				Soybean Meal ¹	
Dec		Nov		Dec	169.70
Mr03		Ja03		Ja03	170.20
May		Mar		Mar	169.80
Jul		May		May	167.40
Sept		Jul		Jul	166.00
Dec		Aug		Aug	163.90

¹ \$/ton

HAY AND STRAW (\$/cwt)												
New Holland, PA - \$/ton - Nov 04, 2002 - 148 Lots -												
Alfalfa 100.00-210.00			Mixed 77.00-205.00			Timothy 117.00-197.00			Orchardgrass 122.00-225.00		Straw 90.00-130.00	Ear Corn 95.00-102.00
Westminster, MD - \$/bale - Nov 04, 2002 - 112 Loads												
Alfalfa 2.20-5.10			Mixed 2.40-4.20			Timothy 2.50-4.40		Grass 2.00-3.00	Grass Lg Rd 20.00-32.00		Straw .70-2.60	Mulch .80-1.30
SOUTHERN MD - \$/bale - Nov 4, 2001												
Timothy			Timothy Mixed			Mixed Grass			Orchardgrass			
Low	Hi	Avg	Low	Hi	Avg	Low	Hi	Avg	Low	Hi	Avg	
4.20	4.60	4.40	4.10	4.70	4.32	2.80	2.80	2.80	3.80	4.10	3.92	
POULTRY (Grade A) - Week Ending Nov 09, 2002 Negotiated Price, cents/lbs												
					Current Week		Week Ago		Month Ago		Year	
NY Wtd Avg. (Fryers)					46.67		45.87		44.87		51.92	
12-City Composite					54.11		52.93		53.07		59.37	
LAMBS - Westminster, MD - \$/cwt - Nov 06, 2002												
Ch	100-125 lbs		89.00-	93.00	Ch	60- 80 lbs		95.00-110.00		Sheep	100-160 lbs	45.00-65.00
	80-100 lbs		90.00-101.00		Medium Good	60-110 lbs		75.00- 90.00		26 hd	Heavies	25.00-45.00
TERMINAL MARKETS HOGS - Nov 07, 2002						DIRECT MARKET HOGS - Westminster, MD-Nov 07, 2002						
Base Price Range (\$/cwt)			Carcass Basis		Sows (1-3)		1&2		225-260 lbs	32.00-33.25		
a.m.			Base 185 lb Hog		300-449 lbs		1&3			28.00-31.00		
Eastern Cornbelt			38.14-43.00		16.00-21.99				265-285 lbs	30.00-31.00		
Iowa, Minn			39.22-45.39		14.00-22.15		Millsboro, DE Market Hogs - \$/cwt - Nov 05, 2002 - \$24.00					
FEEDER PIGS - (\$/cwt) -												
Gumboro, DE -						New Holland, PA - Nov 06 2002						
Head:			Trend			Head: 560			Trend: No ne			
Next Sale November 18 th						41-45 lbs			40.00-45.00			
LIVE CATTLE FUTURES - Chicago Mercantile Exchange- (\$ cwt) - Nov 06, 2002						HOG FUTURES - Chicago Mercantile Exchange - (\$ cwt) - Nov 06, 2002						
Dec	72.85		Jun	69.97		Dec	45.00		May	60.50		
Fb03	76.12		Aug	68.77		Feb03	51.90		Jun	62.22		
Apr	75.07					Apr	55.37					
STOCKER-FEEDER CATTLE - (\$/cwt)												
Winchester, VA - Nov 05, 2002						Westminster, MD - Nov 06, 2002						
Steers	200- 300 lbs		89.00-90.00		Steers			200-400 lbs		72.00- 82.00		
	300- 400 lbs		80.00-90.00					400-500 lbs		65.00- 75.00		
	400- 500 lbs		77.25-94.50					500-700 lbs		59.00- 69.00		
	500- 600 lbs		71.00-83.75					700-900 lbs		60.00- 66.50		
	600- 700 lbs		68.00-79.25		Heifers			300-500 lbs		62.00- 71.00		
	700- 800 lbs		72.00-79.25					500-700 lbs		57.00- 65.00		
	900-1100 lbs		62.50-68.00					700-900 lbs		56.00- 63.00		
Heifers	300-400 lbs		65.50-73.00		Hols Bulls #1			95-120 lbs		85.00-100.00		
	400-500 lbs		66.00-75.25		#2			90- 120 lbs		50.00- 80.00		
	500-600 lbs		65.50-74.25					82- 88 lbs		45.00- 55.00		
	600-700 lbs		61.00-74.00		Hols Heifers #1			90- 120 lbs		410.00-505.00		
	700-800 lbs		63.00-66.50		#2			60- 80 lbs		100.00-160.00		
	800-900 lbs		62.00-63.50		Beef X Bulls & Heifers					80.00-130.00		
Lancaster, New Holland & Vintage - Week Ending - Nov 09, 2002												
Bull, Holstein			95-125 lbs	101.00-122.00		Plainer			95-125 lbs	86.00- 95.00		
Heifers, Hols.			95-120 lbs	410.00-475.00		Plainer			95-110 lbs	210.00-370.00		
SLAUGHTER CATTLE (\$/cwt)												
Westminster, MD - Nov 05, 2002												
Fed Steers						Fed Heifers						
H-C-Pr		1150-1400 lbs	66.00-69.75		H-Ch		950-1300 lbs		65.00-66.50			
L-Ch		1000-1200 lbs	60.00-64.00		Veal Calves							
Ch-Hols		1400-1600 lbs	52.00-56.25		Good		80- 105 lbs		30.00-44.00			
L-Ch		1300-1500 lbs	47.00-50.00									
Cows												
Breakers			34.00-37.00									
Boners			31.00-35.00									
Lean			26.00-30.00									
Thin & Light			26.00-DOWN									
Lancaster, New Holland & vintage - Week Ending - Nov 09, 2002												
Steers, Choice 2-3			1235-1470 lbs	66.50-69.50		\$1-\$2 higher						
Heifers, Choice 2-3			1130-1395 lbs	65.25-67.00		\$1-\$2 higher						
Cows, Breakers 75-80 pct lean				34.00-40.00		Sharply down early in the week; \$2 higher late in week						
Bullocks			1260-1545 lbs	54.00-58.50		No trend						
Bulls, YG 1			1325-1965 lbs	41.25-50.75		Higher undertone						
Vealer, Standard & Good			85- 115 lbs	25.00-35.00		Steady to \$5 down						
Calves, Good & Choice			235- 275 lbs	55.00-57.00		No Trend						

For more information about this report, call 410-841-5740 or write:

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